

Our first care is your health care
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

801 East Jefferson, Phoenix AZ 85034 PO Box 25520, Phoenix AZ 85002 phone 602 417 4000 www.ahcccs.state.az.us

August 25, 2004

The Honorable Ken Bennett, President Arizona State Senate 1700 West Washington Phoenix, Arizona 85007

The Honorable Jake Flake, Speaker Arizona House of Representatives 1700 West Washington Phoenix, Arizona 85007

Dear President Bennett and Speaker Flake:

Pursuant to A.R.S. §'s 36-2920 and 36-2994, enclosed is the "13th Month" Appropriation Status Report (ASR) for SFY 2004. AHCCCS ended the year with a \$61,450,300 Total Fund (\$2,478,400 General Fund) surplus. It is important to note that only \$56,100 of the General Fund surplus reverts back to state authorized accounts at the end of the fiscal year. The \$2,422,300 balance of the General Fund surplus represents the estimated state share of excess ALTCS Program county and state match monies that will be distributed pursuant to A.R.S. § 11-292 (N) after the close of the fiscal year. The remaining surplus amount only represents authority to make an expenditure, not cash available to the state or the AHCCCS system.

The \$61,450,300 Total Fund surplus (\$2,478,400 General Fund) is a \$537,600 Total Fund decrease (\$50,500 General Fund decrease) from the \$61,987,900 Total Fund (\$2,528,900 General Fund) surplus reported as of June 30, 2004. This change is primarily due to Federal Cash Management Investment Act timing differences for the final June 2004 Acute Care and ALTCS fee-for-service payments.

If you have any questions about this report, please do not hesitate to call Jim Cockerham at (602) 417-4059.

Sincerely,

Anthony D. Rodgers

Director

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Enclosure

AHCCCS Appropriation Status Report August 25, 2004 Page 2

The Honorable Janet Napolitano, Governor
The Honorable Robert Burns, Chairman, Senate Appropriations Committee
The Honorable Russell Pearce, Chairman, House Appropriations Committee
The Honorable Carolyn Allen, Chairman, Senate Health Committee
The Honorable Deb Gullett, Chairman, House Health Committee
David Jankofsky, Director, Governor's Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee
AHCCCS Executive Management

Arizona Health Care Cost Containment System

Appropriation Status Report (ASR)

Fiscal Year 2004

Through June 99, 2004

AHCCCS

Prepared by: Division of Business and Finance

Arizona Health Care Cost Containment System Appropriation Status Report Table of Contents

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APPROPRIATION STATUS REPORT

APPROPRIATED SOURCES AND USES OF FUNDS





FY 2004 APPROPRIATION STATUS REPORT For the Period Ending June 99, 2004 SUMMARY OF APPROPRIATED EXPENDITURES

AHCCCS	ANNUAL APPROPRIATION	(A) EXPENDITURE PLAN YTD	(B) EXPENDITURES YTD	(A) - (B) VARIANCE YTD	PROJECTED ANNUAL EXPENDITURES	ANNUALIZED VARIANCE
APPROPRIATIONS:						
ADMINISTRATION						
AHCCCS Operating	\$ 59,647,600	\$ 55,244,800	\$ 55,705,619	\$ (460,819)	\$ 55,705,700	\$ 3,941,900
DOA Data Center	5,851,800	5,711,400	5,206,668	504,732	5,841,800	10,000
Office of Administrative Hearings	277,200	277,200	213,620	63,580	277,200	-
DES Eligibility	48,518,400	48,518,400	45,522,794	2,995,606	48,518,400	-
DES Title XIX Pass-Through	319,600	319,600	142,294	177,306	319,600	-
DHS Title XIX Pass-Through	1,789,800	1,789,800	1,346,510	443,290	1,789,800	-
Healthcare Group	4,762,100	4,762,100	4,434,968	327,132	4,762,100	-
Indian Advisory Council	200,100	200,100	168,428	31,672	200,100	-
CHIP - Administration	6,123,900	6,123,900	5,865,513	258,387	6,123,900	-
CHIP - Services	70,288,300	70,118,800	70,288,300	(169,500)	70,288,300	-
CHIP - Parents	34,989,800	29,481,200	29,972,489	(491,289)	29,972,500	5,017,300
Trauma Centers	5,000,000	5,000,000	5,000,000	-	5,000,000	-
TOTAL ADMINISTRATION	237,768,600	227,547,300	223,867,203	3,680,097	228,799,400	8,969,200
ACUTE CARE						
Acute Capitation	1,399,753,000	1,394,931,900	1,399,510,859	(4,578,959)	1,399,510,900	242,100
Fee-For-Service	319,319,100	319,091,100	311,816,410	7,274,690	311,816,400	7,502,700
Reinsurance	45,280,600	48,940,900	40,581,123	8,359,777	40,581,100	4,699,500
Medicare Premiums	46,622,300	46,529,400	45,396,276	1,133,124	45,396,300	1,226,000
Graduate Medical Education	20,476,900	20,476,800	20,476,900	(100)	20,476,900	-
Disproportionate Share Hospital	164,825,500	136,866,800	153,928,865	(17,062,065)	157,939,900	6,885,600
Critical Access Hospitals	1,700,000	1,700,000	1,700,000	-	1,700,000	-
Breast and Cervical Cancer	2,169,900	1,488,000	807,455	680,545	1,258,400	911,500
Freedom to Work	2,727,200	2,271,200	2,140,524	130,676	2,140,500	586,700
TOTAL ACUTE	2,002,874,500	1,972,296,100	1,976,358,412	(4,062,312)	1,980,820,400	22,054,100
LONG TERM CARE						
LTC - Lump Sum Appropriation	825,194,700	800,385,700	793,483,904	6,901,796	794,794,000	30,400,700
LTC - Board of Nursing	209,700	209,700	209,700	, , -	209,700	
TOTAL LONG TERM CARE	825,404,400	800,595,400	793,693,604	6,901,796	795,003,700	30,400,700
PROPOSITION 204						
Administration	38,497,500	38,676,000	37,438,016	1,237,984	38,471,200	26,300
Services	924,370,500	924,530,400	912,477,894	12,052,506	924,370,500	-
County Hold Harmless	4,825,600	4,825,600	4,825,600	-	4,825,600	-
TOTAL PROPOSITION 204	967,693,600	968,032,000	954,741,510	13,290,490	967,667,300	26,300
TOTAL EXPENDITURES	\$ 4,033,741,100	\$ 3,968,470,800	\$3,948,660,729	\$ 19,810,071	\$ 3,972,290,800	\$ 61,450,300
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FY 2004 APPROPRIATION STATUS REPORT For the Period Ending June 99, 2004 APPROPRIATED EXPENDITURES BY FUNDING SOURCE

		EXPENDITURE			PROJECTED	
	ANNUAL	PLAN	EXPENDITURES	VARIANCE	ANNUAL	ANNUALIZED
	APPROPRIATION / BUDGET	YTD	YTD	YTD	EXPENDITURES	VARIANCE
	STATE- GENERAL FUND					
Iministrative Expenditures	\$ 52,111,900	\$ 51,299,500	\$ 51,263,954	\$ 35,546	\$ 52,111,900	\$ -
position 204 - Administrative Expenditures	15,062,400	15,062,400	14,520,862	541,538	15,062,400	-
IIP - Administration	1,400,200	1,400,200	1,359,943	40,257	1,400,200	-
ogrammatic Expenditures						
Acute Care - General Fund	424,757,900	419,131,200	422,993,755	(3,862,555)	424,757,900	-
Proposition 204 - Acute Care	107,243,400	111,269,451	107,243,400	4,026,051	107,243,400	0.400.000
Long Term Care - General Fund	52,847,800	49,530,500	48,996,300	534,200	50,425,500	2,422,300
CHIP - Services CHIP - Parents	16,077,700	16,053,400	16,077,700	(24,300)	16,077,700	-
	7,050,200	6,742,100	6,994,052	(251,952)	6,994,100	56,100
HCG Reinsurance	2,989,400 679,540,900	2,989,400 673,478,151	2,689,426 672,139,392	299,974 1,338,759	2,989,400 677,062,500	2,478,400
	0.0,0.0,000	0.0,0,.0.	0.2,.00,002	1,000,100	0.1,002,000	2, 0, 100
	FEDERAL - Title XIX & Title XXI					
Iministrative Expenditures	64,492,600	60,761,800	57,041,980	3,719,820	60,540,600	3,952,000
oposition 204 - Administrative Expenditures	18,110,500	18,289,000	17,592,554	696,446	18,084,200	26,300
HIP - Administration	4,723,700	4,723,600	4,505,570	218,030	4,723,700	-
ogrammatic Expenditures						
Acute Care - AHCCCS Fund	1,445,286,400	1,420,334,800	1,420,042,589	292,211	1,423,232,300	22,054,100
Proposition 204 - Acute Care - Title XIX	542,400,000	542,582,500	535,484,834	7,097,666	542,127,200	272,800
Proposition 204 - Acute Care - Title XXI	137,674,000	136,847,600	135,918,811	928,789	137,483,300	190,700
Long Term Care - AHCCCS Fund	585,659,100 54,210,600	564,167,400	559,183,219	4,984,181	560,103,100	25,556,000
CHIP - Services CHIP - Parents	54,210,600	54,065,500	54,210,600	(145,100)	54,210,600	4 004 400
OTAL FEDERAL EXPENDITURES	27,939,600 2,880,496,500	22,739,100 2,824,511,300	22,978,437 2,806,958,594	(239,337) 17,552,706	22,978,500 2,823,483,500	4,961,100 57,013,000
TAL FEDERAL EXPENDITURES	2,880,496,500	2,824,511,300	2,806,938,394	17,552,706	2,823,483,500	57,013,000
	COUNTY					
ministrative Expenditures						
Proposition 204 - BNCF	5,324,600	5,324,600	5,324,600	-	5,324,600	-
ogrammatic Expenditures						
Acute Care	73,189,600	73,189,500	73,189,500	-	73,189,600	-
County Contribution Fund	7,446,500	7,446,500	7,451,653	(5,153)	7,446,500	-
Long Term Care	179,451,000	179,451,000	177,515,572	1,935,428	177,028,600	2,422,400
OTAL COUNTY EXPENDITURES	265,411,700	265,411,600	263,481,325	1,930,275	262,989,300	2,422,400
	TOBACCO FUNDS					
auma Centers - Emergency Health Services	5,000,000	5,000,000	5,000,000	_	5,000,000	-
ogrammatic Expenditures	.,,	-,,	.,,		.,,	
Acute Care - Medically Needy	59,445,900	59,445,900	59,445,900	-	59,445,900	-
Proposition 204 - Medically Needy	20,541,100	17,318,849	17,318,849	-	15,379,900	5,161,200
Proposition 204 - Emergency Health Services	21,222,800	21,222,800	21,222,800	-	24,471,600	(3,248,800
Proposition 204 Protection	55,067,800	55,067,800	55,067,800	-	56,651,100	(1,583,300
Proposition 204 - ATLSF	45,047,000	45,047,000	45,047,000	-	45,839,600	(792,600
TAL TOBACCO EXPENDITURES	206,324,600	203,102,349	203,102,349	-	206,788,100	(463,500
	OTHER					
dministrative Expenditures - HCG	1,772,700	1,772,700	1,745,541	27,159	1,772,700	
ogrammatic Expenditures	1,772,700	1,112,100	1,740,041	21,109	1,112,100	-
Acute Care - TPL	194,700	194,700	686,668	(491,968)	194,700	_
Long Term Care - TPL	-	-	546,860	(546,860)	-	-
OTAL OTHER EXPENDITURES	1,967,400	1,967,400	2,979,069	(1,011,669)	1,967,400	-
	TOTAL					
ministrative Expenditures	237,768,600	227,547,300	223,867,203	3,680,097	228,799,400	8,969,200
Acute Care	2,002,874,500	1,972,296,100	1,976,358,412	(4,062,312)	1,980,820,400	22,054,100
Long Term Care	825,404,400	800,595,400	793.693.604	6,901,795	795.003.700	30,400,700
Proposition 204	967,693,600	968,032,000	954,741,510	13,290,490	967,667,300	26,300
DTAL EXPENDITURES	\$ 4,033,741,100	\$ 3,968,470,800	\$ 3,948,660,729	\$ 19,810,071	\$ 3,972,290,800	\$ 61,450,300
	7,000,171,100	÷ 0,000,770,000	¥ 0,0-0,000,120	¥ 10,010,071	Ţ 0,0. <u>-,-</u> 00,000	÷ 01,-00,000

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM FY 2004 APPROPRIATION STATUS REPORT APPROPRIATED REVENUE RECEIVED DETAIL SCHEDULE For the Period Ending June 99, 2004

	BUDGET	BUDGET YTD	RECEIPTS YTD
GENERAL FUND:			
Acute & Administrative	\$ 479,859,200	\$ 473.420.100	\$ 474.257.709
Proposition 204 - Acute & Administrative	\$ 479,859,200 122.305.800	\$ 473,420,100 126.331.851	\$ 474,257,709 116.938.662
LTC	52,847,800	49,530,500	52,847,800
CHIP	16,876,900	16,802,517	17,437,643
HIFA Parents	6,575,500	6,227,842	6,994,052
Member Premiums - CHIP	601,000	651,083	725,031
Member Premiums - HIFA Parents	474,700	514,258	494.215
Member Premiums - Freedom to Work	,.	3 - 1,200	7,045
TOTAL	679,540,900	673,478,151	669,702,157
FEDERAL:			
Acute & Administrative	1,509,779,000	1,481,096,600	1,545,946,533
Proposition 204 - Acute & Administrative	698,184,500	697,719,100	671,295,702
LTC	585,659,100	564,167,400	562,830,370
CHIP	56,913,000	56,599,358	57,625,527
HIFA Parents	26,343,200	21,009,667	20,643,744
Member Premiums - CHIP	2,021,300	2,189,742	2,456,751
Member Premiums - HIFA Parents	1,596,400	1,729,433	1,661,070
TOTAL	2,880,496,500	2,824,511,300	2,862,459,697
COUNTY:			
Acute & Administrative	78,514,200	78,514,100	78,634,304
LTC	186,897,500	186,897,500	204,101,068
TOTAL	265,411,700	265,411,600	282,735,372
TOBACCO FUNDS:			
Acute Care	64,445,900	59,445,900	59,445,900
Proposition 204 - Acute Care	141,878,700	143,656,449	138,656,449
TOTAL	206,324,600	203,102,349	198,102,349
OTHER:			
Healthcare Group	1,772,700	1,772,700	1,745,541
Acute TPL - Note 1	194,700	194,700	686,668
LTC TPL - Note 1	-	-	546,860
KidsCare TPL - Note 1	-	-	1,116
TOTAL	1,967,400	1,967,400	2,980,185
		\$ 3,968,470,800	\$ 4,015,979,760
TOTAL REVENUE	\$ 4,033,741,100		

APPROPRIATION STATUS REPORT

FOOTNOTES



ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM FY 2004 APPROPRIATION STATUS REPORT For the Period Ending June 99, 2004

Note 1: Third Party Liability revenues collected:	June	99, 2004	June	99, 2003	J	uly 1, 2003	Ju	ıly 1, 2002
Gross Collections:					Ju	ne 99, 2004	Jui	ne 99, 2003
Acute TPL	\$	-	\$	-	\$	2,176,361	\$	1,797,268
LTC TPL		-		-		2,335,279		1,754,184
KidsCare TPL		-		=		16,041		14,216
Total TPL Collections	\$	1-1	\$	-	\$	4,527,681	\$	3,565,667
Net Collections(Net of Federal Share): Acute TPL	\$	-	\$	-	\$	686,668	\$	1,128,701
LTC TPL		-		-		546,860		396,110
KidsCare TPL		-		-		1,116		1,194
Total State Share	\$	-	\$	-	\$	1,234,644	\$	1,526,004

Note 2: Authorized Positions 1,317.7 1
Actual Positions as of June 30, 2004 1,215.8

¹ The Authorized Positions total does not include 155 positions for the KidsCare and HIFA Parents Programs that were inadvertently not included when the programs were restored.

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM FY 2004 APPROPRIATION STATUS REPORT For the Period Ending June 99, 2004

Note 3: Intergovernmental Service Agreement - State of Hawaii:

Beginning Balance July 1, 2003	\$ 2,842,628
Revenues Transfers-In	 5,855,513 274,764
Total Revenues	6,130,278
Expenditures	6,561,474
Transfers-out	 961,268
Total Expenditures	7,522,741
Total Ending Balance June 99, 2004	\$ 1,450,164

Of the \$1,450,164 ending balance, \$130,771 represents restricted cash advances from the State of Hawaii for the projected expenditures through June 2004. AHCCCS will utilize the unrestricted cash as part of the administrative budget cut plan to provide state match for the following projects - \$297,200 for ACE and \$246,300 for HIPAA. Additionally, the remaining balance in the fund will be used to provide state match for the Telecommunications Privatization Project that will replace aging, at-risk telephone equipment with voice over internet protocol technology.

Note 4: State match savings resulting from the HIFA One waiver:

	Jui	ne 99, 2004	July 1, 2003 June 99, 2004
AHCCCS DHS - Behavioral Health Services DHS - Children's Rehabilitative Services	\$	307,114 204,059	\$ 12,064,483 2,516,614 4,901
Total HIFA State Savings	\$	511,173	\$ 14,585,997

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM FY 2004 APPROPRIATION STATUS REPORT For the Period Ending June 99, 2004

Note 5: Proposition 204 Summary

SUMMARY OF PROPOSITION 204 EXPENDITURES

	EXPENDITURE			PROJECTED		
	ANNUAL BUDGET	PLAN YTD	EXPENDITURES YTD	VARIANCE YTD	ANNUAL EXPENDITURES	ANNUALIZED VARIANCE
PROPOSITION 204	BUDGET	לוט	110	110	EXPENDITURES	VARIANCE
ADMINISTRATIVE						
AHCCCS Operating	\$ 9,703,100	\$ 9,881,600	\$ 9,549,899	\$ 331,701	\$ 9,676,800	\$ 26,300
DES Eligibility	28,794,400	28,794,400	27,888,117	906,283	28,794,400	
TOTAL ADMINISTRATIVE	38,497,500	38,676,000	37,438,016	1,237,984	38,471,200	26,300
PROGRAMMATIC						
Acute Capitation	780,799,100	774,962,900	770,753,675	4,209,225	782,646,300	(1,847,200)
Fee-For-Service	98,158,000	99,270,100	96,895,181	2,374,919	96,895,200	1,262,800
Reinsurance	31,809,300	36,571,600	31,400,023	5,171,577	31,400,000	409,300
Medicare Premiums	13,015,100	13,225,300	12,847,634	377,666	12,847,600	167,500
ADHS Children's Rehabilitative Services	589,000	500,500	581,381	(80,881)	581,400	7,600
TOTAL PROGRAMMATIC	924,370,500	924,530,400	912,477,894	12,052,506	924,370,500	-
County Hold Harmless	4,825,600	4,825,600	4,825,600	-	4,825,600	-
TOTAL PROPOSITION 204 EXPENDITURES	\$ 967,693,600	\$ 968,032,000	\$ 954,741,510	\$ 13,290,490	\$ 967,667,300	\$ 26,300

SUMMARY OF PROPOSITION 204 EXPENDITURES BY FUNDING SOURCE

	ANNUAL APPROPRIATION	EXPENDITURE PLAN EXPENDITURES YTD YTD		VARIANCE ANNUAL YTD EXPENDITURES		ANNUALIZED VARIANCE
PROPOSITION 204:	STATE					
AHCCCS Operating	\$ 4,877,500	\$ 4,877,500	\$ 4,844,282	\$ 33,218	\$ 4,877,500	\$ -
DES Eligibility - General Fund	10,184,900	10,184,900	9,676,581	508,320	10,184,900	-
DES Eligibility - BNCF Programmatic Expenditures	5,324,600	5,324,600	5,324,600	-	5,324,600	-
General Fund	102.417.800	106.443.851	102.417.800	4,026,051	102.417.800	-
Proposition 204 - Medically Needy	20,541,100	17,318,849	17,318,849	-	15,379,900	5,161,200
Emergency Health Services - Proposition 204	21,222,800	21,222,800	21,222,800	-	24,471,600	(3,248,800)
Proposition 204 Protection	55,067,800	55,067,800	55,067,800	-	56,651,100	(1,583,300)
ATLS	45,047,000	45,047,000	45,047,000	-	45,839,600	(792,600)
County Hold Harmless - General Fund	4,825,600	4,825,600	4,825,600		4,825,600	
Total State Expenditures	269,509,100	270,312,900	265,745,311	4,567,589	269,972,600	(463,500)
PROPOSITION 204:	FEDERAL					
AHCCCS Operating	4,825,600	5,004,100	4,705,617	298,483	\$ 4,799,300	26,300
DES Eligibility	13,284,900	13,284,900	12,886,937	397,964	13,284,900	-
Acute Care - Title XIX Expenditures	542,400,000	542,582,500	535,484,834	7,097,666	542,127,200	272,800
Acute Care - Title XXI Expenditures	137,674,000	136,847,600	135,918,811	928,789	137,483,300	190,700
Total Federal Expenditures	698,184,500	697,719,100	688,996,199	8,722,901	697,694,700	489,800
TOTAL EXPENDITURES	\$ 967,693,600	\$ 968,032,000	\$ 954,741,510	\$ 13,290,490	\$ 967,667,300	\$ 26,300